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SUBJECT: Mission Indonesia Promotes Entrepreneurship

REFTEL: STATE 112468

11. (SBU) Summary: Embassy Jakarta actively engages in promoting entrepreneurship as a means to strengthen ties with high-impact economic actors in Indonesia. This key group of stakeholders has the potential to positively shape and influence economic and political governance. Efforts to date have shown promise. Indonesian officials and business leaders have expressed enthusiasm to cooperate on entrepreneurship and interest in hosting a follow-on event to President Obama's planned Entrepreneurship Summit in early 12010. As a possible component of the proposed U.S.-Indonesia Comprehensive Partnership, entrepreneurship promotion and exchange would advance relations in the world's largest Muslim population country and third largest democracy. End Summary.

12. (SBU) Post organizes regular meetings and roundtable discussions with entrepreneurs and business leaders as part of our outreach efforts. The Ambassador held a roundtable discussion with members of the Young Presidents Organization (YPO), one of several associations representing Indonesia's growing entrepreneurial class. Our DCM hosted a roundtable with a similar group, the Jakarta Chapter of Entrepreneurship Organization (EO) to discuss investment climate concerns among other shared interests. The Ambassador also initiated a series of "fireside chats" with Indonesian business leaders to engage on current issues and cooperation in a private and informal setting. Most recently, Under Secretary Burns met with a group of young Indonesian leaders, including several entrepreneurs, during his visit to Jakarta in December. These outreach efforts have been an effective means of strengthening ties and increasing mutual understanding. As a result, Indonesian business leaders have played a constructive role in the resolution of several long-standing commercial disputes. Support from the local business community was also critical to persuading the Government of Indonesia (GOI) to enter negotiations to update OPIC's Investment Incentive Agreement.

13. (SBU) Post approached Endeavor, a U.S.-based NGO specializing in entrepreneurship, to establish a program in Indonesia. Our initiative to engage Endeavour was in response to feedback we received from our outreach efforts. Indonesian entrepreneurs and business leaders expressed consistent concerns that Indonesia lacked the training opportunities and entrepreneurial expertise needed to reach its potential and compete at the global level. The Ambassador responded by meeting with Endeavor CEO Linda Rottenberg to discuss the prospects of establishing a program in Indonesia. Endeavor responded favorably; we expect them to arrive for their first assessment trip at the end of January 2010.

14. (SBU) Post is incorporating more entrepreneurship content into Mission programming:

-- Public Affairs U.S. Speaker series on youth entrepreneurship with Indonesian audiences to Jakarta, Surabaya and Medan;

-- Placement of an op-ed in a local paper around the time of the

President's Entrepreneurship Summit early next year;

-- Consideration of incorporating an entrepreneurship-theme into our next film festival of popular American films;

-- Promotion of entrepreneurship through various USAID programs, including a loan guarantee program designed to assist entrepreneurs to gain access to much-needed financing;

-- Initial discussions with the office of Commercial and Business Affairs on possibilities for further cooperation on entrepreneurship with Indonesia.

15. (SBU) Outreach to Muslim countries often focuses on a narrow definition of "civil society" that excludes the business class. The President's Cairo initiative rightly highlights entrepreneurship as a priority area. Indonesia is the world's largest Muslim majority country, and entrepreneurs and business leaders wield significant influence in shaping its political and economic future. Enhancing our engagement with these stakeholders through entrepreneurship promotion is an effective means to strengthen our partnership with the world's third largest democracy.

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